

ARGUMENTS IN FAVOR OF RETIREMENT BENEFITS RATHER THAN GRANTS IN AID FOR FORMER CIA SPOUSES NOT COVERED BY THE 1982 INTELLIGENCE ACT

Catch-up legislation is needed to provide retirement and survivor benefits for all of this homogenous group of women, the former spouses of CIA overseas officers. As a result of legislative compromise, the Intelligence Act of 1982 divided this group into two parts--those divorced or widowed prior to 15 November 1982 (let us call them the 14 November group) and those who were divorced or widowed after that date (let us call them the 15 November group). The Intelligence Act of 1982 vested the 15 November group with survivor and retirement benefits. The 14 November group was excluded because "new" money would be required for their coverage.

Yet the 14 November group are particularly deserving. Most are older women who had long-term marriages (20-30 years and more). Most served abroad for 12-15 years and more. ^(The median = 20 yrs abroad) Most were overseas prior to 1972 when their performance in fulfilling official and unofficial functions was required and graded by US Government officials. Yet they were left without financial security for their retirement years, although the 1982 ^{Act} recognized that their sisters-in-service had earned such retirement. There was no tangible recognition that their years abroad were valued by their government.

We believe that catch-up legislation to remedy this inequity is required by providing equal retirement benefits for equal service.

In reviewing possible remedial actions, sympathetic parties have given consideration to a concept of grant-in-aid, with requirements for a means test, as well as that the wife herself must have reached retirement age and must have had a marriage of at least 20 years. These provisions would reconfirm and perpetuate

the inequities of the 1982 Act by establishing criteria for eligibility that ~~is~~ different for the two groups--who are separated only by a date over which they had little or no control.

A means test is premised on the belief that these women were financially provided for at time of divorce. It is also based on the assumption that the amount of the retirement benefit is adequate to support a former spouse and any children she still may have at home.

The grant-in-aid concept will prove to be a hardship on spouses formerly married to lower-grade officers, such as communications personnel. With retirement benefits based on a lower retirement salary, these women can expect to receive insufficient funds to live on. Yet with a means test, they will be unable to augment their retirement benefits through their own efforts. Some former wives already have sold their homes; others have put aside small savings, including IRA accounts in order to have some long-term income. Any income received from their thrift or employment will result in reducing the retirement benefits they receive.

In recent years legal trends have changed. Only a few years ago, a commonly held premise was that the divorcing husband should be left able to establish a second family. He needed to give no more than one-third of joint income--excluding any earned pension rights--to the spouse he¹¹ was divorcing. If the divorcing wife held a job--even entry-level employment--she was judged to be self-sufficient and received no alimony. Many of the 14 November group were divorced before the current concept that pensions are property--despite the fact that many couples had few, if any, assets outside the retirement fund to which both had contributed; many couples did not own even a family home because of their transient life. Thus, a smaller financial pot was divided, with the wife receiving less than an equal share, if she received a share at all.

In a recent survey of representatives of the 14 November group in the Washington area, only of who reported said that their divorce settlement provided for their retirement in any way.

A means test is hard to administer officially. It will be particularly difficult to administer for CIA former spouses, as some are foreign born. One is now in England. There ^{would be} a built-in inequity in making the test apply only to former spouses resident in this country. The difficulties of administration would increase the costs of implementing the legislation, too.

The concept that former CIA spouses of overseas officers have earned rights to pension and survivor benefits ^{by} their service abroad to the US Government was established by the 1982 Act. The grant-in-aid concept, however, is more closely related to welfare than to a pension plan. Other Federal government pensions do not offset each other--military, Civil Service, CIARDS. Means tests are inherent for state and municipal welfare plans across the country. Thus, another inequity for the 14 November group is created.

For these reasons, we believe that the grants in aid under consideration would provide for unequal disbursement of what has been equally earned. These women have earned their fair share to retirement security provided by an equitable pension benefits plan.